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Hocking, Wendy A - Washington, DC

From: Williams Jr, David E - Washington, DC
Sent: Thursday, September 22, 2011 7:05 AM
To: Kamen, Kathy I - Washington, DC; Owens, Sharon - Washington, DC; Finazzo, Krista A - Washington, DC; Grossmann, Luke T - Washington, DC; Spencer, Philinda M - Washington, DC; LaChance, Susan M - Washington, DC
Subject: Updated New Presentation
Attachments: Network Optimization Industry Briefing v2.ppt

Attached is an updated version of the new presentation. I added the operating plan slide.

Dave



Network
Optimization Industry

Network Optimization Concept

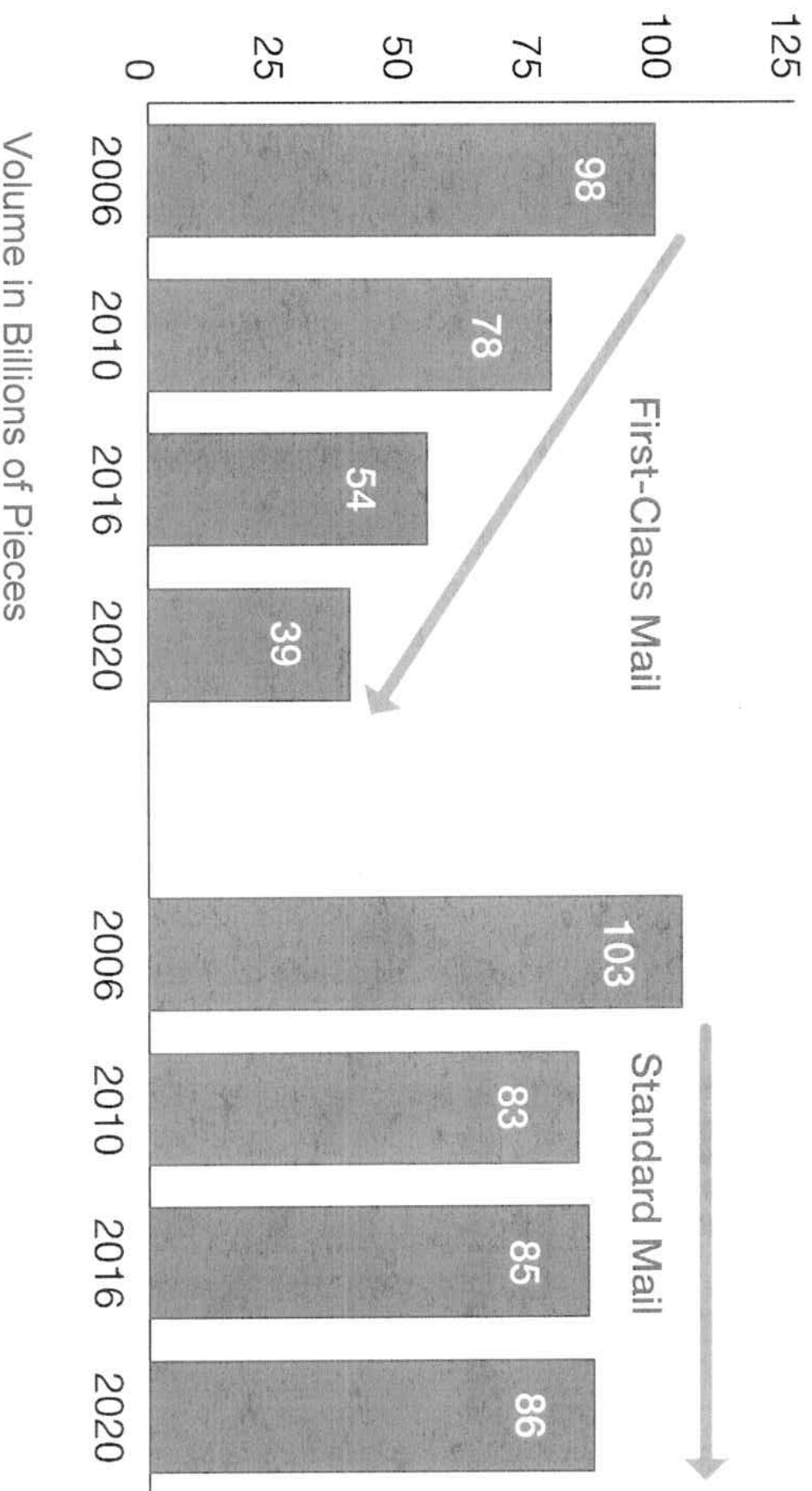
Network Optimization Overview

- **Volume Realities**
- **Current and Future Mail Processing Infrastructure**
- **Plan for Change**
- **Next Steps**



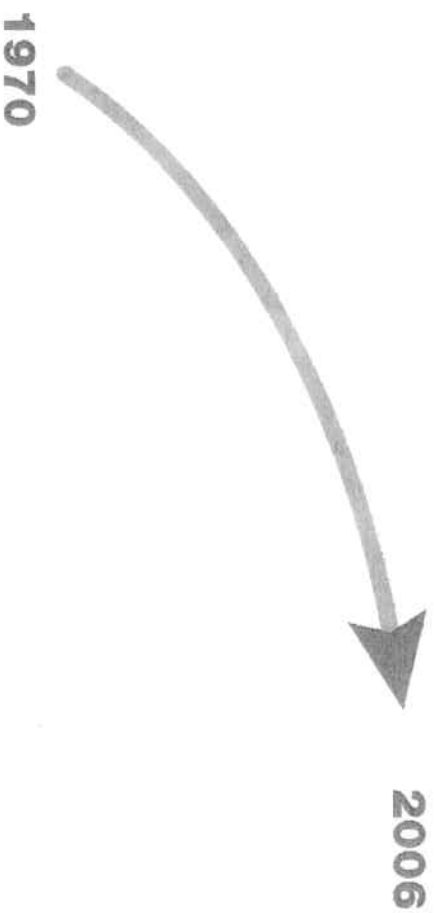
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Mail Volume Shifting to a Less Profitable Mix

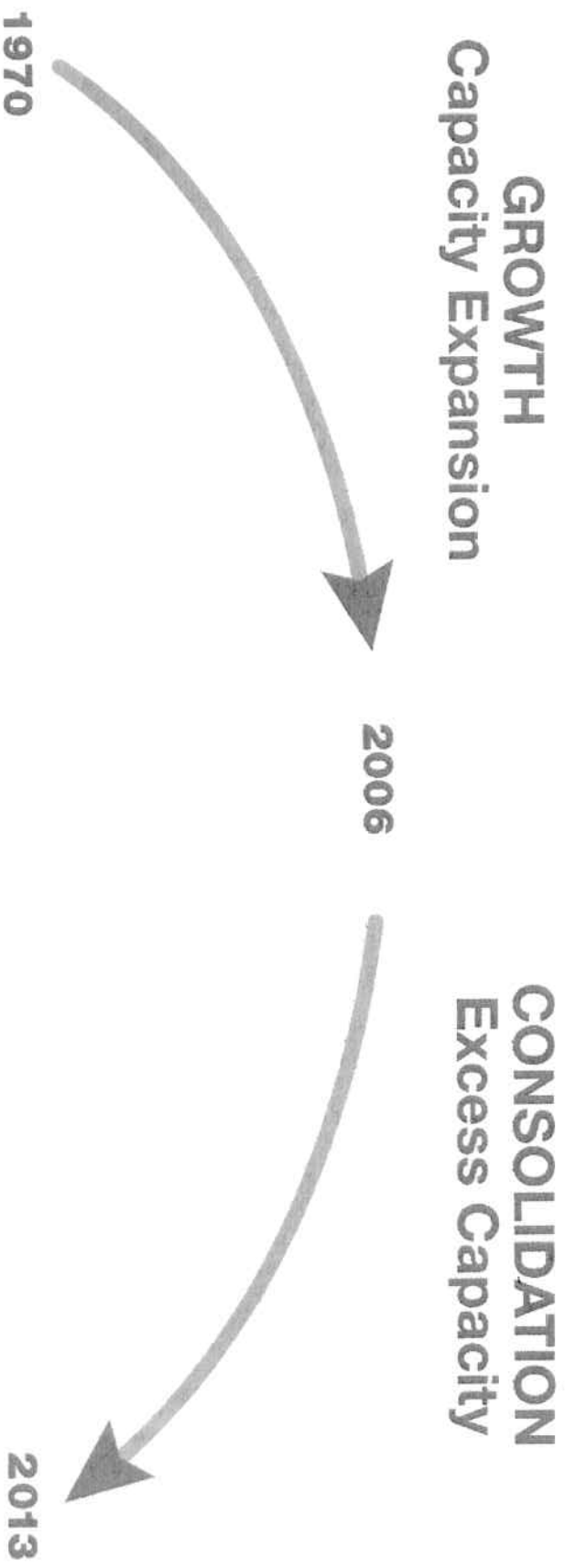


NETWORK CAPACITY

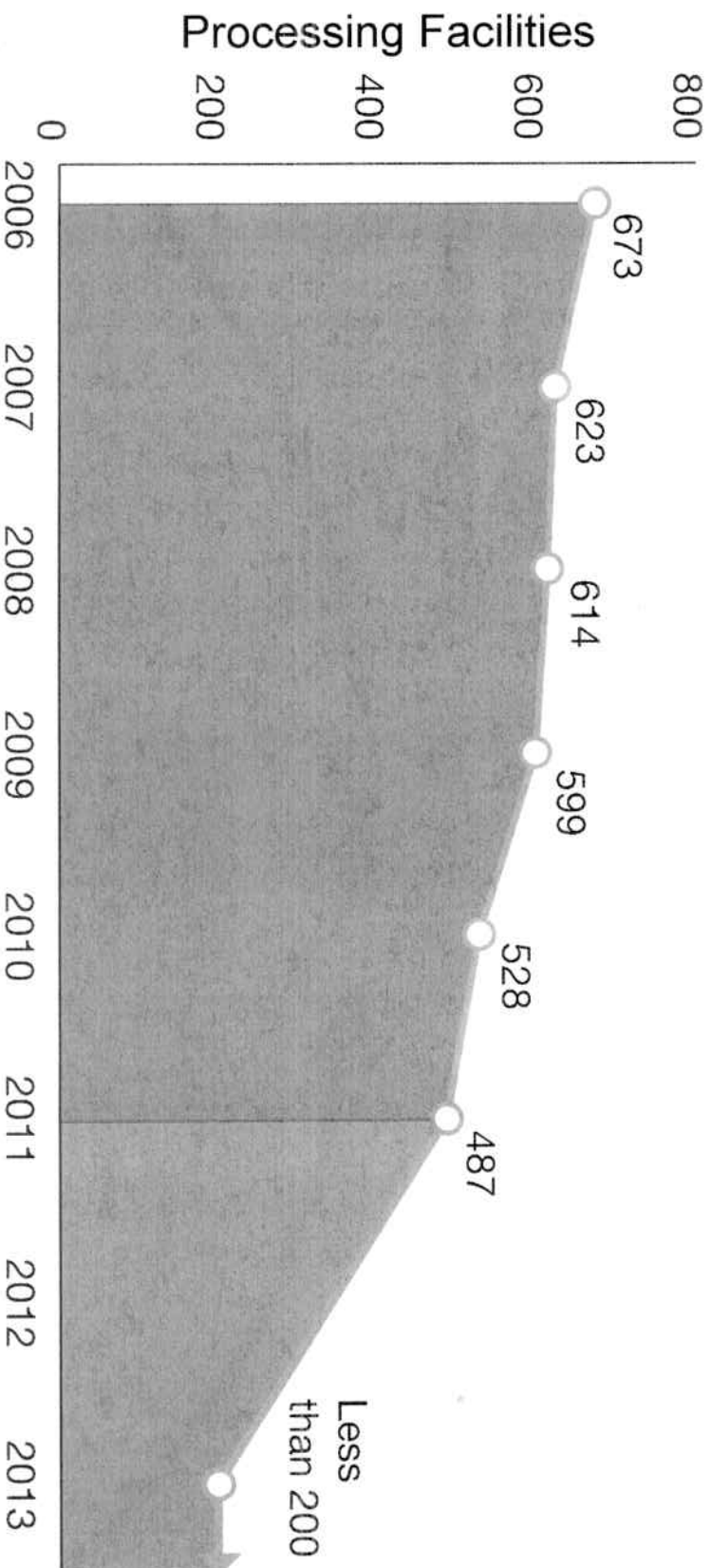
GROWTH
Capacity Expansion



NETWORK CAPACITY



Potential Decrease in Processing Facilities Through 2013

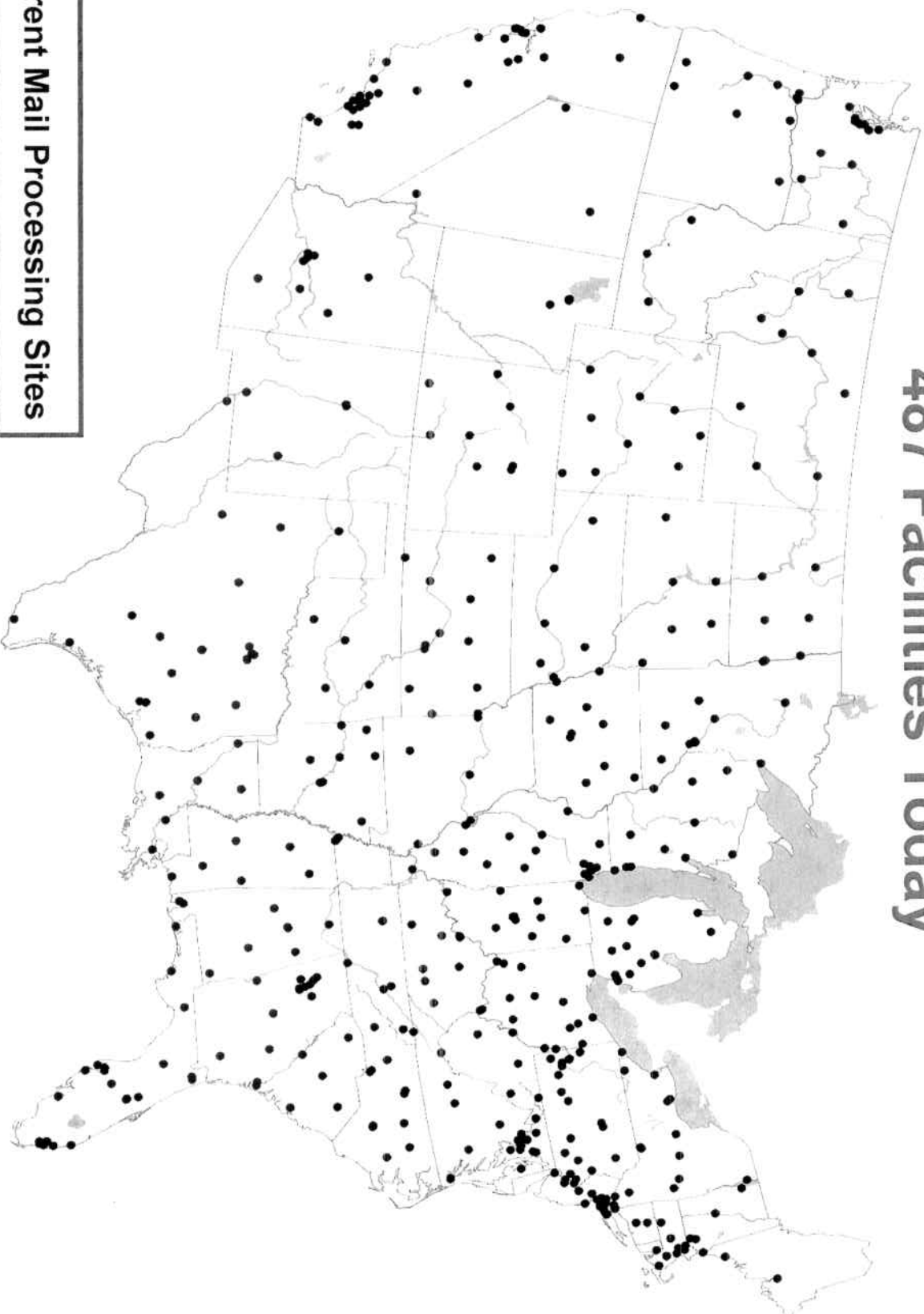




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Mail Processing Facility Footprint

487 Facilities Today



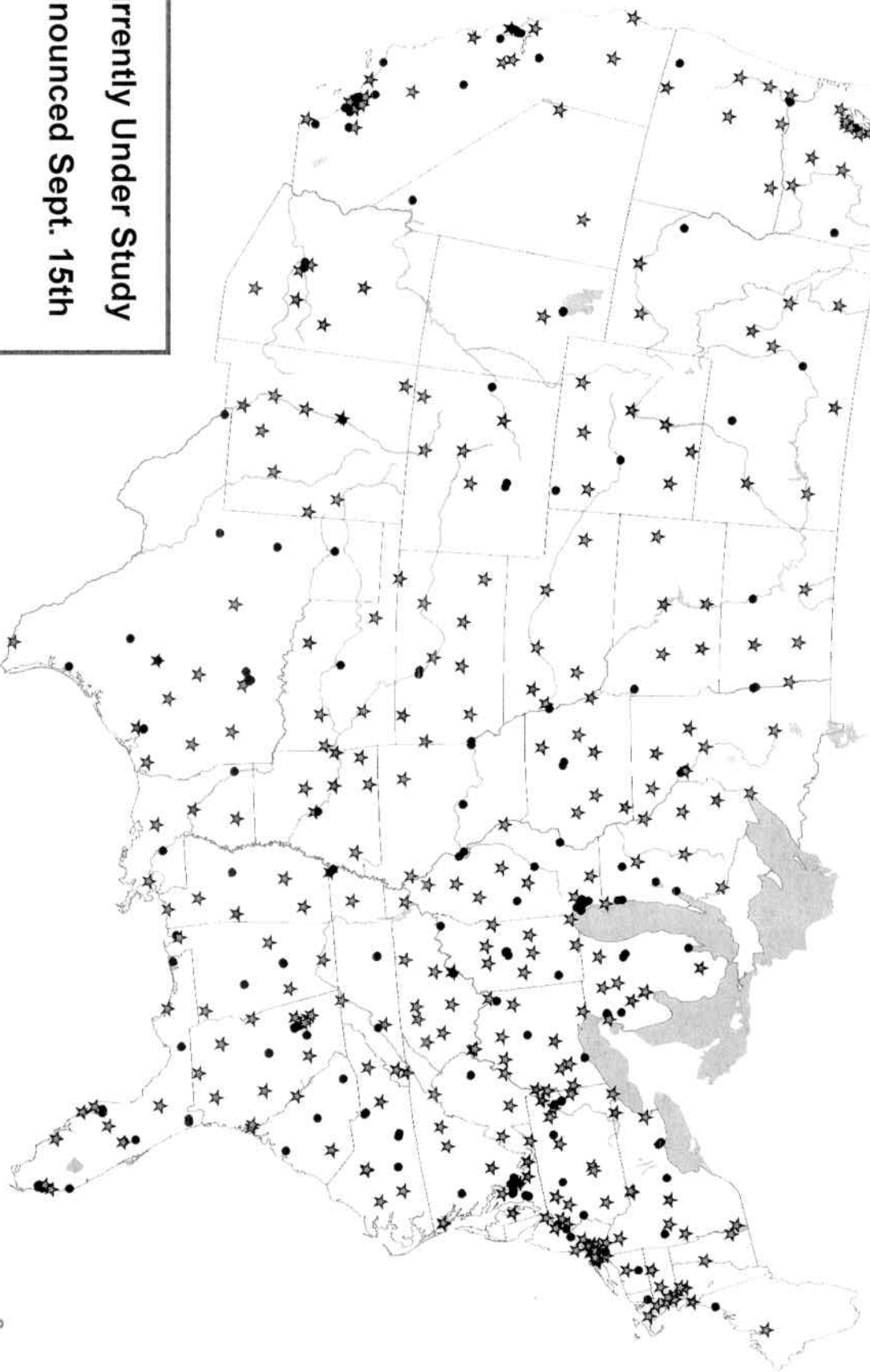
● Current Mail Processing Sites



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Mail Processing Facility Footprint

Studying 252 Facilities for Potential Closure



★ Currently Under Study

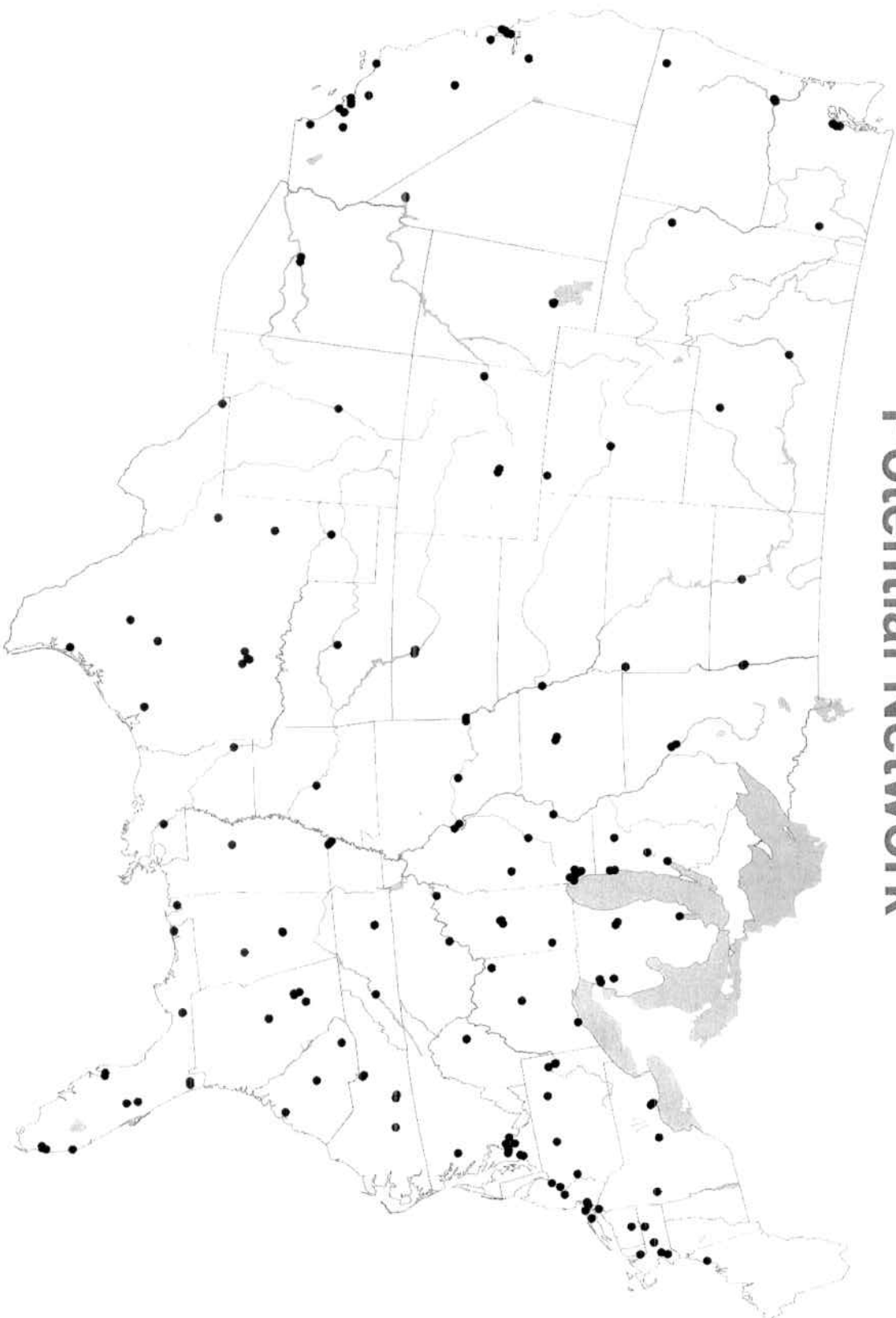
★ Announced Sept. 15th



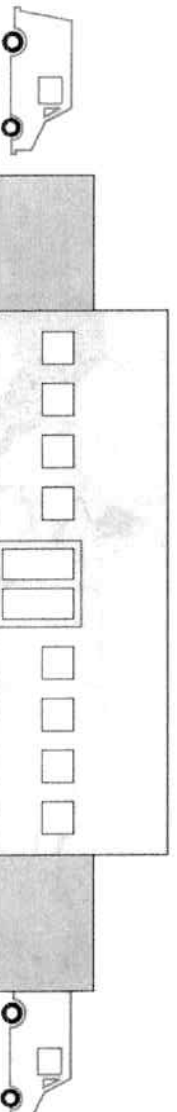
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Mail Processing Facility Footprint

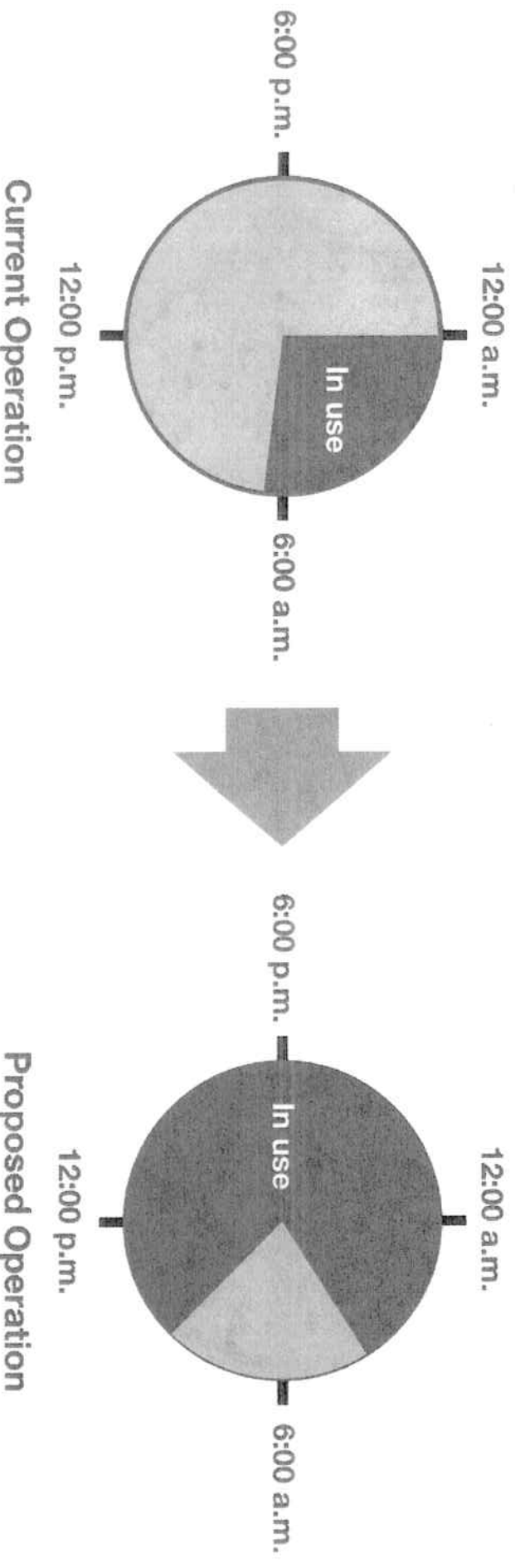
Potential Network



Mail Processing Redesign



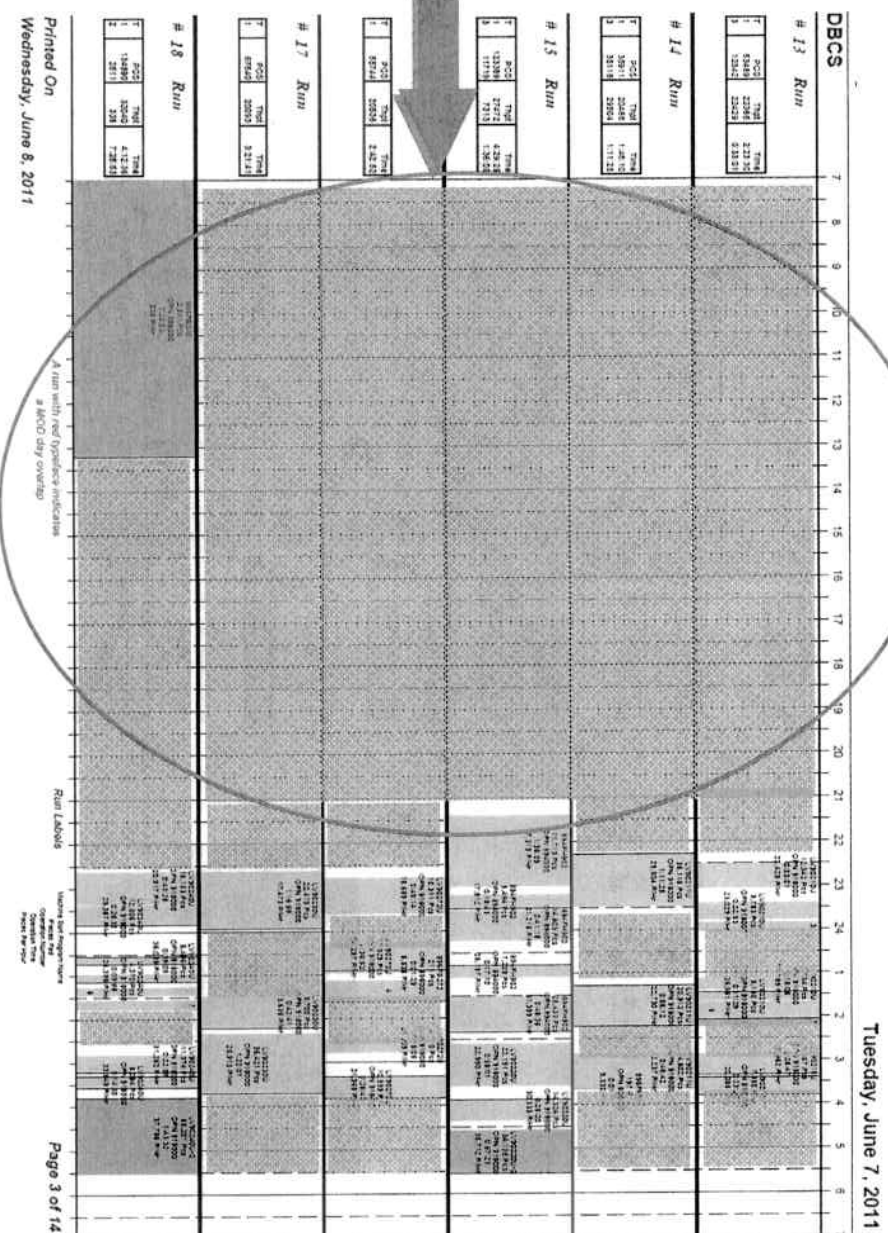
Mail Processing Facility



Illustrative Example

Network infrastructure driven by operating windows constrained to meet current First-Class Mail overnight service commitments

Machine Chart - Run

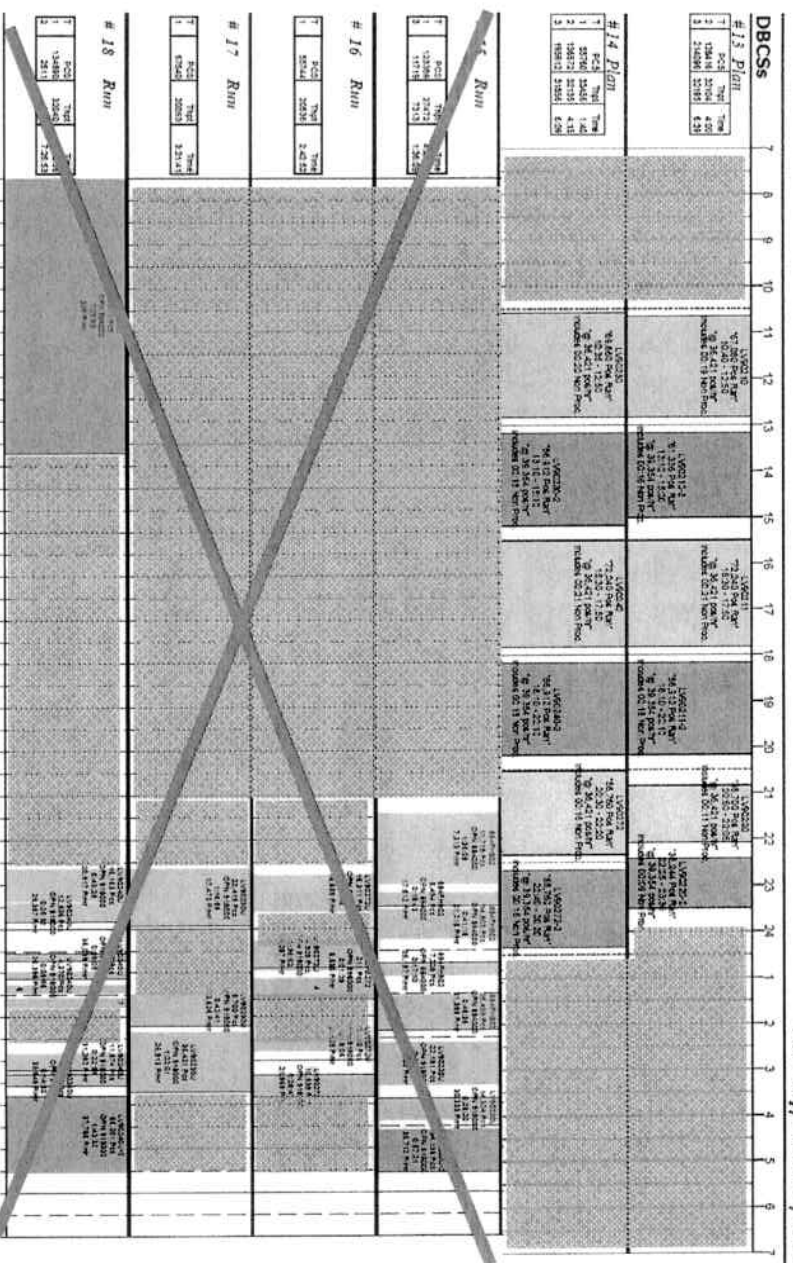


Illustrative Example

Processing Consolidated onto Significantly Fewer Machines

Machine Run Plan by Sort Program

Tuesday, June 07, 2011



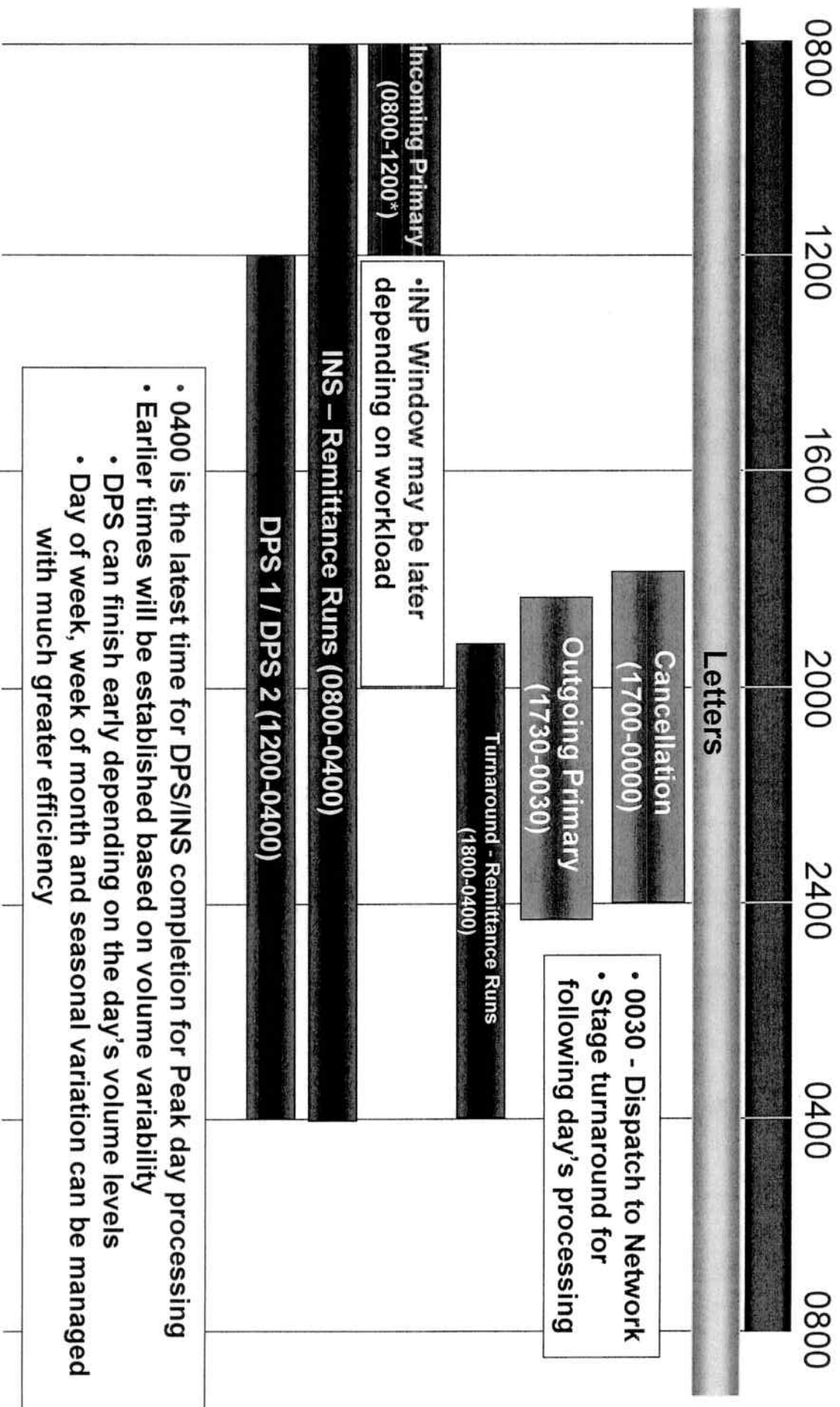
Example:
6 machines
consolidated to 2



Fewer machines
needed for
longer window



Plan for Change – Operating Concept



FUTURE NETWORK

- Support 2-3 day Service Standards
 - Revised Entry Times
 - Reduced Equipment ~ 50 % reduction
 - Reduced Footprint
-

BENEFITS

- Eliminate Excess Capacity
- More Efficient Transportation Network
- Fully Utilized Workforce
- Up to \$3 Billion Cost Reduction

CHANGES

- Planning for new mail processing footprint and transport pattern
 - Transitioning to 2-3 day service standard
-

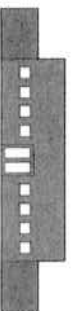
OUR APPROACH

- Industry-specific strategies
- Ongoing communication and collaborative mitigation of issues

559,000 Total Career Employees

151,000 Total Mail Processing Employees

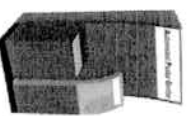
35,000 Fewer Mail Processing Positions



**Fewer facilities, greater
utilization and efficiency**



**Earlier mail availability driving
more efficient local delivery**



**More retail partners and
kiosks, more online, fewer
brick and mortar Post Offices**

\$6.5 Billion
Cost Reduction
by 2015

THE RESULT

**Highly efficient, low cost,
national delivery platform**

2011

- **September 15**
 - Announce AMP Studies and Advance Notice of Proposed Rulemaking
- **Mid-September**
 - Notice published in Federal Register
- **Mid-October**
 - Comments due on FFR notice
- **November**
 - AMP Public Input Meetings held in Nov-Dec
 - Working toward a Nov PRC filing (need to obtain approval to file from the Postal Service Governors)



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**Questions and additional
comments, please contact:
industryfeedback@usps.com**